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THREE LETTERS
ON
THE PACIFIC CABLE
BY
SIR SANDFORD FLEMING.

- No. 1—(November 15th, 1899.) To the Right Honourable Sir Wilfrid Laurier, referring to the new proposal of the Eastern Extension Company to lay a cable across the Indian Ocean, the effect of the proposal on Canadian as well as British interests, and urging that the right be reserved to bring that undertaking under State control.
- No. 2—(September 5th, 1899.) To Sir Wilfrid Laurier, referring to the new policy of the Home Government, announced to the High Commissioner for Canada and the Agents General for Australasia on July 4th, 1899, the terms of the proposal and the delay anticipated therefrom.
- No. 3—(July 1st, 1899.) To the Honourable J. Israel Tarte, Minister of Public Works, narrating facts bearing on the influence exercised by the Eastern Extension Company, previous to July, 1899, to frustrate the project.

RECENT CORRESPONDENCE

THE PACIFIC CABLE

OTTAWA, November 15, 1899.

The Right Honourable Sir WILFRID LAURIER,
Prime Minister of Canada.

SIR,—In the report submitted by me of date September 5th, on my recent mission to England, and in my letter to the Honourable Mr. Tarte dated July 1st, appended thereto, I referred to the persistent efforts of the Eastern Extension Company to frustrate the establishment of the Pacific Cable.

I have to-day received a communication from the Department of Trade and Commerce, by which I learn more definitely the line of action now being taken by that company in Australia to defeat the project. My own name is used in discussions in the press of the southern colonies, and it is due to myself that I should submit some explanations. At the same time I feel that it is still more important in the public interests that I should direct your attention to the matter, in order that you may, if you deem it advisable, transmit my explanations for the information of the Governments concerned.

The communication received through the Department of Trade and Commerce goes to show that the Eastern Extension Company has made a formal offer to the Australian Government of very great importance, and the offer made is supported very strongly by the Postmaster General of South Australia, Sir Charles Todd. Moreover, every effort is being made through the press to influence public opinion in its favour.

The offer is practically to substitute for the Pacific Cable a cable across the Indian Ocean from Australia to South Africa, where a connection would be formed with the lines to England. To make the proposal as attractive as possible, the company offer at once to reduce rates from the present minimum charge of 4s. 9d. per word to a uniform charge of 4s. per word, and they offer to make further reductions as traffic increases. The company ask no subsidy or guarantee, but they ask the privilege of collecting and distributing cablegrams in the principal cities of Australia, and along with that privilege the right to use and control the Government land lines from those cities to the terminus of the cable. Sir Charles Todd has always been a consistent opponent of the Pacific cable, and, as might be expected, he highly approves of the new proposal, and suggests that the Pacific cable should be postponed and in the meanwhile the Eastern Extension Company allowed to carry out their plan.

It will be obvious that if the Eastern Extension Company be granted the privilege they ask, they will obtain the power to monopolize nearly all cable business. They would be in a position at once to cut rates and make contracts for a term of years with the leading mercantile firms, and thus control the greater part of the over-sea telegraph business. With these privileges granted them they would have it in their power to prevent the Pacific Cable being a commercial success.

Sir Charles Todd is unable to see any advantages in the Pacific cable or any necessity for establishing it. He takes an exceedingly pessimistic view of the traffic and the share of it which a trans-Pacific line would command; he unduly increases the estimate for maintenance, for working expenses and for other annual charges, and he urges that, in order to secure immunity from interruption, two cables across the Pacific will be necessary, involving, as he says, an initial capital outlay of £4,000,000, instead of £1,500,000 at one time deemed sufficient.

In my letter of October 28th, 1898, to the Right Honourable Joseph Chamberlain, Colonial Secretary, I set forth among other things the immense advantage to the whole Empire of a world-encircling cable system under State control, and I pointed out how this could be secured without touching foreign soil. This proposal embraced the following new lines, viz. :—

	KNOTS.
(1) A cable across the Pacific Ocean from Canada to Australia and New Zealand...	7,150
(2) A cable across the Indian Ocean from Australia to the Cape of Good Hope	6,500
(3) A cable across the Atlantic Ocean from the Cape of Good Hope to Bermuda	6,600

At Bermuda a connection would be made with England by lines laid, or to be laid—the three cables, viz., across (1) the Pacific, (2) the Indian and (3) the Atlantic Oceans, would constitute a globe-encircling system of telegraphs touching only British soil. These would be the trunk lines; they would give to every point they reached the peculiar advantage of two telegraph routes running in opposite directions, and thus the necessity or desirability of laying double cables side by side on any one section would be entirely removed.

The Pacific cable would form one of the three great links in the chain, and it is perfectly obvious that having the completed system in view there would be no necessity for incurring the expense of laying two cables across the Pacific for some time to come, certainly not until the business develops to such an extent as to demand additional means of transmission for business reasons—that is to say, not until the telegraph traffic reaches a point much beyond the most sanguine estimates yet made.

The ground covered by the new proposal of the Eastern Extension Company is almost identical with the second division of the world-encircling telegraph proposal mentioned in my letter to Mr. Chamberlain. So soon as I learned that our adversaries had made overtures to the Victorian Government respecting it, I sent the following letter to the Premier, Sir George Turner :—

“OTTAWA, September 14th, 1899.

“SIR,—By last mail from Australia I received letters up to July 28th, by which I learn that the Eastern Extension Telegraph Company has submitted to your Government a proposal to lay a cable from South Africa to Australia. The proposal is of great importance, and I ask your permission to say a single word respecting it. In order that I may be brief, allow me to refer you to three letters from me which appear in the printed Returns on the Pacific Cable laid before the Canadian Parliament in the sessions of 1898 and 1899, viz.:

1. To the Right Hon. Sir Wilfrid Laurier, December 28, 1897.
2. To the Right Hon. Joseph Chamberlain, October 28, 1898.
3. To the Hon. R. W. Scott, January 31, 1899.

“In these letters, and especially in my letter to Mr. Chamberlain, will be found reference to the subject of a State-owned system of electric cables for the Empire. It is pointed out that the proposed Pacific Cable will form the great initiatory section of the Imperial scheme, and that a line of cables across the Indian Ocean, such as that now proposed by the Eastern Extension Company, would constitute the second great section. Much importance may, therefore, be attached to the latter proposal. But it is essential that these cables should eventually

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come under Government control. The public interests demand that in order to secure the cheapest telegraph transmission, the greatest development of commerce, and the greatest freedom of intercourse throughout the Empire, the system of cables contemplated should be the property of the State. As pointed out in my letter to Mr. Scott, that is the view almost universally held by the press, and especially by the British press. I venture, therefore, to urge upon your Government that in any agreement entered into with the Eastern Extension Company to lay the new cable proposed to be laid across the Indian Ocean, the right be reserved to take possession of it, on giving notice and paying a sum equal to its value, precisely as in articles 5 and 6 of the Singapore and Hong Kong second cable agreement of 1893."

I have the honour, &c.,

SANDFORD FLEMING.

From a sense of duty I cannot too strongly press upon your Government and upon each Government interested, the importance of the recommendation contained in the above letter. It is a matter which concerns Canada equally with the Australasian Colonies; it concerns the whole British Empire that no new obstacle should be raised to obstruct the laying of the Pacific Cable or render it impossible to establish, step by step, a system of State-owned cables encircling the globe. There is not the smallest objection to the Eastern Extension Company laying a cable across the Indian Ocean under the condition mentioned. There is indeed everything in favour of such a proposal. The present state of things in South Africa renders the existing lines of telegraphic communication insecure. They pass through a number of foreign ports, and without much trouble sympathisers with the enemy may tap the wires, or, if they choose, interrupt them and render them useless, as is actually the case at the present moment with the East African line. If, unfortunately, European troubles should also arise, the means of telegraphic communication may be instantly cut, owing to the fact that all cables laid, or being laid, traverse shallow seas bordering France, Spain, Portugal, Morocco and other parts of Africa. If cables across the Indian and Pacific Oceans existed to-day, independent communication could be maintained by the Canadian route between the heart of the Empire and South Africa, as well as with the Australasian Colonies.

The recommendation respecting which I venture to make this appeal, is to reserve the right, on behalf of Her Majesty's Government, to take possession of the cable proposed to be laid across the Indian Ocean by the Eastern Extension Company. Ample precedent for such a course will be found in the following two articles wisely inserted by the Marquis of Ripon, the then Secretary of State for the Colonies, in the agreement of October 28th, 1893, for the Singapore and Hong Kong second cable.

"Article 5. Her Majesty's Government shall have the option at any time of cancelling all the foregoing articles of this agreement, by giving to the Company twelve months' previous notice, and on payment to the Company of a sum of £300,000, being the estimated cost of laying such second cable."

"Article 6. Immediately on the payment of the amount provided in the last preceding article the said second cable shall become the property of Her Majesty's Government, and the agreement shall at once cease and determine."

There could be no better precedent to follow in this instance. The Canadian Postmaster General, Mr. Mulock, in introducing the Pacific Cable resolutions last July, pointed out to the House of Commons the value of the reservation made by the Marquis of Ripon. Mr. Mulock said (I quote from *Hansard*):

"When you come to read the agreement, I see nothing in it to cause us to doubt for a moment that we establish cable communication with the Orient when we establish connection by cable with Australasia. That agreement provides that the Imperial Government can purchase the line of cable, the second cable constructed between Singapore and Hong Kong for the sum of £300,000, which I presume fairly represents its cost. Once the English Government acquires that cable there only remains the connecting link between the mainland and Austral-

asia, and you have direct cable and telegraphic communication via Australia between Canada and Hong Kong and Japan. And it is inconceivable that if the two great colonies, Canada and Australasia, have united themselves by cable communication—particularly in view of the fact that the Colonies of Australasia own the telegraph lines across the island continent of Australia—any power, that is any British power, could prevent us forcing our way by telegraph communication with China and Japan. * * * I regard the proposition, though it nominally provides for communication only between Canada and Australasia, as practically completing cable communication between Canada, China and Japan."

A cable across the Indian Ocean, laid under the same conditions, would, with the Pacific Cable, similarly connect Canada telegraphically with South Africa. The two stretches of cable would complete two-thirds of the all-British chain of cable around the globe, which, with branches added, aggregating in length 2,600 knots, London would have practically a duplicate telegraph connection with all, or nearly all, the fortified and garrisoned coaling stations of the Empire; an Imperial line of communication would be created which would bring into momentary electric touch every possession of Her Majesty.

For these reasons and for other reasons mentioned in my letter to Mr. Chamberlain, it is expedient that the new cables should be State-owned. Controlled by the State, it is recognized that they will best fulfil their purpose.

I have alluded in other letters (July 1st and September 5th) to the great delays which have arisen and their apparent cause. The state of affairs in South Africa and the insecurity of all cables laid in the shallow seas bordering Europe and Africa now make manifest how much these delays are to be deplored. It is easy to be seen that it would be no difficult matter for a sympathiser with the enemy to isolate not only South Africa, but, at the same time, the whole of Australasia. Better counsels fortunately now prevail, and we all rejoice in the promise that delay is at an end.

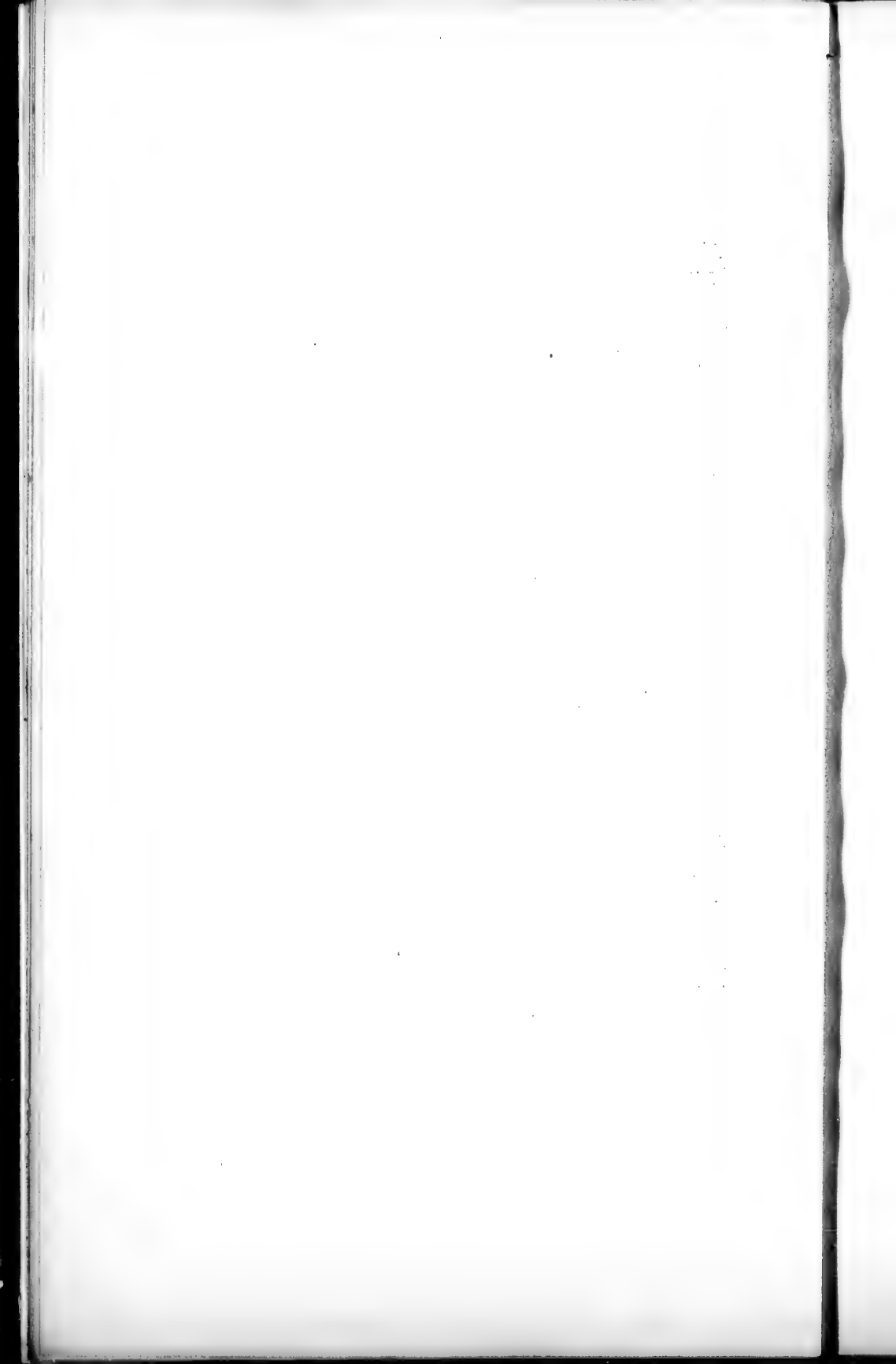
These projected State-owned cables have been conceived in no spirit of hostility to the Eastern Telegraph Company. The Pacific Cable has been advocated for national reasons, and as the first section of a great Imperial telegraph system. Its mere advocacy has already had the effect of lowering charges on messages between Australasia and England fully one-half, and with the satisfactory result that the profits of the Company have been much improved. This is owing to the fact that while the rates have been lowered fifty per cent the business has increased one hundred and fifty per cent since the reduction took place.

I venture to think that the completion of the first State-owned ocean cable will mark a new era in over-sea telegraph correspondence, and that a wonderful development of intercourse will follow. Action has been long delayed, but happily we now have the assurance that Her Majesty's Home Government will co-operate fully with the Colonial Governments in bringing to a successful issue an undertaking which they now recognize to be of great importance to the whole Empire.

I have the honour to be, Sir,

Your obedient servant,

SANDFORD FLEMING.



HALIFAX, September 5th, 1899.

The Right Honourable Sir WILFRID LAURIER,
Prime Minister of Canada.

SIR,—I wrote you from London intimating that I proposed to leave for Canada on August 14th. On the 25th I reached Ottawa, and immediately reported my return to the Secretary of State, you being absent.

I have now the honour to report on the subject of my mission to England as follows :—

The Order in Council appointing the Honourable J. Israel Tarte, Minister of Public Works, and Lord Strathcona, High Commissioner for Canada in London, Commissioners in the matter of the Pacific Cable, also appointed me expert adviser. This Order in Council you placed in my hands on June 21st ; on the following day I left Ottawa to join Mr. Tarte on board steamer at Montreal, and with him I proceeded to England, where we arrived on July 5th.

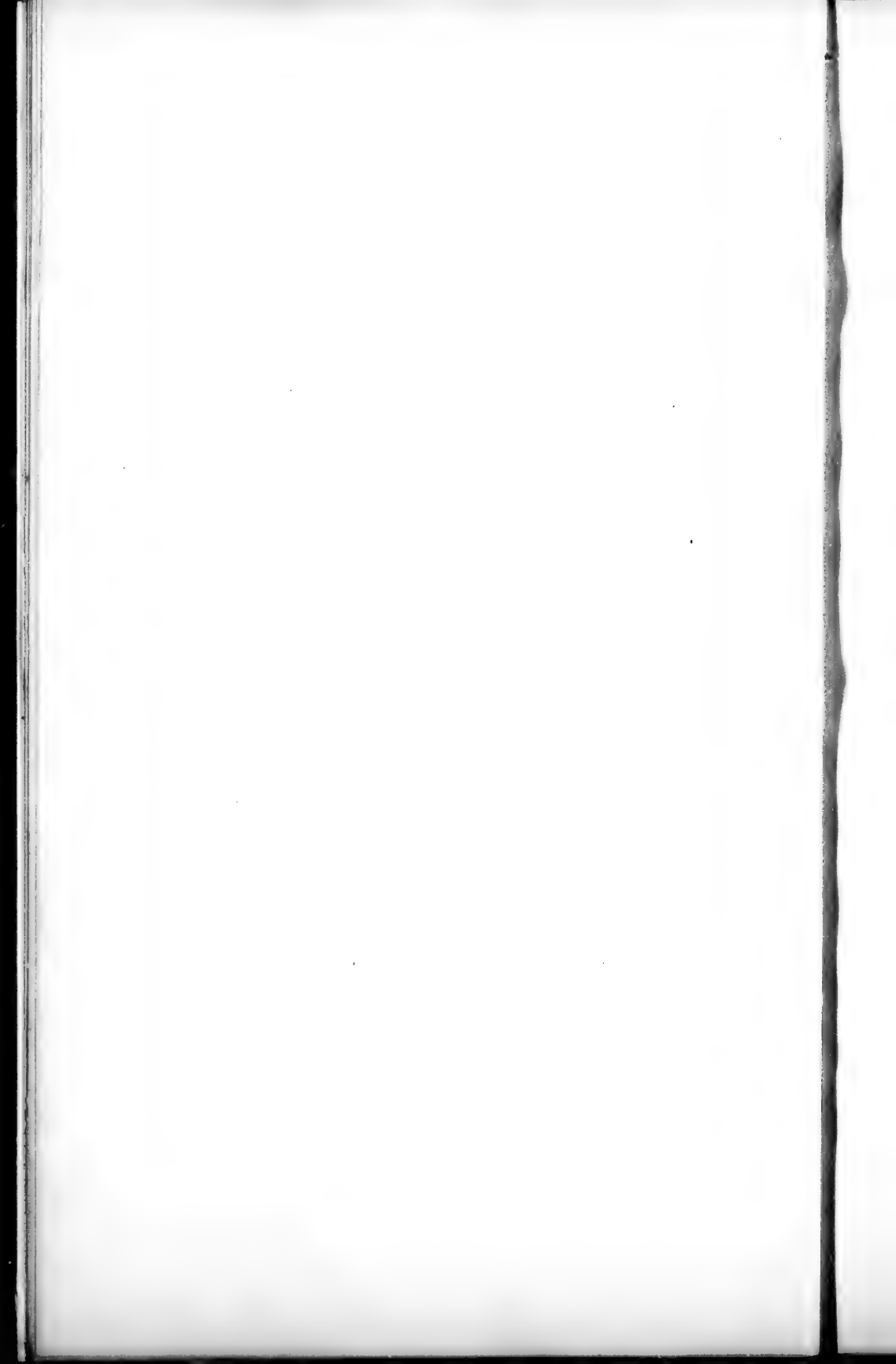
It became my duty on the voyage to furnish Mr. Tarte with all the information in my possession, on the subject of the cable, which he desired. Among other things, I supplied facts and explanations respecting the hostility of the Eastern Extension Company, and the adverse influence it had exercised. It was deemed expedient that I should present the latter information in the form of a letter, in order that, if required, it would be readily available in discussions in London. When we arrived we learned that the Home Government happily had changed its attitude toward the proposed undertaking, and the anticipated discussions did not arise. For the purpose of record, I append a copy of my letter to Mr. Tarte, of date July 1st, 1899.

On July 6th Lord Strathcona informed Mr. Tarte and myself that a conference had been held two days previous at which he and the Agents General for New South Wales, Victoria, Queensland and New Zealand, met the Colonial Secretary, Mr. Chamberlain, and the First Lord of the Treasury, Sir Michael Hicks-Beach. It was then announced by the two last mentioned gentlemen that the Home Government had decided to unite with Canada and the Australasian Colonies in establishing the Pacific Cable as a joint partnership State undertaking, and that the Imperial Treasury would arrange to provide the capital required.

Lord Strathcona read to us a copy of a cablegram which had on the previous day (July 5th) been sent to Canada, Australia and New Zealand in respect to the new proposal. This cablegram was afterwards confirmed by a minute of the proceedings of the Conference of July 4th. The minute was issued by the Colonial Office on July 15th, and forwarded for the information of all the Governments concerned.

When we left Canada the position of the proposed work and the attitude of the Home Government in respect to it remained substantially as set forth in the documents relating to the Pacific Cable laid before the Canadian Parliament last session. Reference is particularly had to the papers given on pages 87 to 98.

We were greatly surprised and gratified to learn that a few hours before our arrival in England the policy of the Home Government had been entirely changed, that there was no longer any hesitation on the part of the Mother Country to become an active partner in the enterprise along with Canada and the Australasian Colonies, that the principle of joint State ownership was fully acquiesced in, that the expectations of Canada and the Colonies were to be more than met, as the First Lord of the Treasury proposed to utilize the credit of the United Kingdom in providing the whole of the capital required to establish the work in a complete and satisfactory manner.



Gratifying as this information proved, the satisfaction was somewhat lessened by one part of the proposal. It is a mere detail, but a detail which, to my mind, appeared of very great importance, as it involved delay, and delays are always dangerous. It was proposed at the Conference that the Provisional Board of Commissioners should consist of eight members, three to be nominated by the Australasian Colonies, two by Canada, and three by the Imperial Government. I at once took exception to the number allotted to Australasia, and pointed out as there were four contributing colonies the limitation of the number of representatives on the board to three would, in all probability, have the effect of causing serious delay, and that it might even endanger the success of the whole scheme. It was quite obvious to my mind that it would be a matter of difficulty for four Governments to agree in the selection of three representatives, and that practically it could only be done by one of the Colonies consenting to remain unrepresented. I ventured to suggest that the four contributing colonies should be given one representative each, and that the representation of the Imperial and Canadian Governments should be increased proportionately.

I heard nothing in favour of eight in place of nine, ten or eleven commissioners, except that "a large board is cumbrous and undesirable." While admitting that a small board is, under ordinary circumstances, better than a large one, while recognizing that a *permanent* board might with advantage be reduced to less than eight, perhaps even to three, commissioners, seeing that the duties will be chiefly of an executive character, it seemed to me of the first importance to have the *provisional* board speedily constituted, and I greatly feared this could not be accomplished unless the four Australasian Governments were allowed to appoint each their own representative. I pointed out that if this was conceded, the Governments of New South Wales, Victoria, Queensland and New Zealand would be almost certain at once to nominate their respective Agents General resident in London, and thus the provisional board could be organized and its work proceeded with within a few days after the arrival of Mr. Tarte and myself in England.

These views were not acted upon, and nothing resulted during the five weeks I remained waiting. Indeed, so far as I know, no progress has been made towards constituting the Board up to the present date. Meanwhile the Eastern Extension Company is displaying great activity in Australia. Its agents are doing everything in their power to prolong the delay. Since my arrival in Canada I have received a number of letters from Australia, some of them dated so recently as July 28th. They all go to confirm the views I have expressed. As they are private, I regret that I cannot append them to this report. I beg leave, however, to refer you to a letter, dated July 17th, received by the Department of Trade and Commerce from the commercial agent of your Government in Sydney. In that letter will be found some indication of the situation in Australasia, and the activity of the Eastern Extension Company in their persistent efforts to frustrate the project.

I have the honour, &c.,

SANDFORD FLEMING.

SS. "MONTFORT," At SEA, July 1st, 1899.

HON. J. ISRAEL TARTE,

Minister of Public Works for Canada.

SIR,—I feel it to be my duty, under the Order in Council in pursuance of which I am now accompanying you to England, to submit for your information some facts bearing on the efforts of Canada, Australia and New Zealand to establish a Pacific Cable the hostility of the Eastern Extension Telegraph Company, and the attitude of the Home Government in relation thereto.

Canada, Australasia and New Zealand have long desired and long endeavoured to be connected telegraphically by a Pacific Cable.

Every effort put forward to accomplish the desired end has met with determined opposition on the part of the Eastern Extension Company, a powerful financial organization, with great influence in official quarters. The hostility of this company is due to the fact that it enjoys a rich monopoly, which, incidentally, would be interfered with by the establishment of the Pacific Cable as a national work. The company has no appreciation of the great Imperial ends to be served by the projected telegraph. It regards only its own profits. Its design has always been to thwart Canada and Australasia in their efforts to establish the cable, and in frustrating their efforts to strengthen and, if possible, perpetuate the monopoly.

In the following pages will be narrated some of the means taken to defeat the establishment of the Pacific Cable. It is unpleasant to think that the Home Government, or those acting for the Home Government, have been less in sympathy with the aims and aspirations of Canada and the Australasian Colonies than with those of the Eastern Extension Company, but it is difficult to see that the evidence of facts leads to any other conclusion.

In consequence of the facts which have come to light—some of which will be cited—an impression prevails that the Home Government has not acted fairly to Canada and the Australasian Colonies, but has regarded the interests of the Eastern Extension Company as paramount. The feeling on this point, in part, found expression in the Canadian Senate, on the 8th April last, in a discussion in which Hon. David Mills, Minister of Justice, the Hon. R. W. Scott, Secretary of State, and the Hon. Sir Mackenzie Bowell took part. Wherever the responsibility may rest, the fact remains that the Pacific Cable has been long delayed, and when laid its cost will be greatly enhanced without any corresponding increase in efficiency.

There are many circumstances that have given rise to the prevailing impression that the Home authorities have unduly favoured the monopoly in its opposition to Canada and the Australian Colonies. Among these may be mentioned the circumstances connected with the Nautical Survey, as they are given in the report of his mission to Australia by the Minister of Trade and Commerce. (See Report laid before Canadian Parliament, 1894, p. 106.) The facts in brief are these :

From the first a Pacific Cable had been declared to be impracticable by the Eastern Extension Company, owing, as alleged by them, to insuperable physical difficulties existing on the route. To remove all doubts, it was deemed expedient to obtain an exact survey, and in order to invest the project with public confidence it was important to have an examination made by the highest nautical authority. The Admiralty was appealed to, and for several years the matter was urged upon the Home Government, Canada offering to contribute half the cost. But no result followed. At the Colonial Conference of 1887 the matter was discussed and a resolution unanimously passed, requesting that the survey be at once undertaken. Correspondence followed, in which the Australasian Governments offered to share in the expense. A year afterwards a surveying ship was directed to make some hydrographic examinations, but, under the instructions given, many years would elapse before the work could be completed. Requests were made to have the survey accelerated, but without avail. In 1890 the cables of the Eastern Extension Company were broken, when the whole of the Australian Colonies were isolated telegraphically for a considerable time. This circumstance pointed to the extreme importance of pushing forward the nautical survey, so as to hasten the establishment of an alternative line from Australia to Great Britain by way of the Pacific. The Colonies again and again urged that the survey should be accelerated ; but the request was unheeded. Instead of being accelerated it was stopped, without any reason being given. As a matter of fact (as was ascertained long afterwards), the ship was withdrawn from the work in September, 1890, and the discontinuance of the survey was not made known to Canada and the Colonies until 1894.

In 1893, the Parliaments of Canada and New South Wales having voted each a subsidy towards establishing a steamship service between British Columbia and the Australasian Colonies, the Government of Canada "deeming it important to take prompt and effective steps for the stimulation of closer trade relations between Canada and Australasia," on the 7th September, 1893, an Order in Council was passed requesting the Minister of Trade and Commerce to proceed to Australia to confer with the several Governments, with a view to promote the extension of trade and the establishment of the Pacific Cable. On September 11th, the Colonial Office, London, was informed of the intended mission of the Canadian Minister, and requested to promote the object of his mission. The Minister sailed from British Columbia on September 17th. Two days before he sailed, that is to say on September 15th, despatches were sent from the Colonial Office to each of the Australasian Governments containing only documents adverse to the Pacific Cable. These consisted of a letter from the General Post Office, London, dated July 5th, 1893, and a report by the Hydrographer, dated February 28th, 1887. (See *Mission to Australia*, p. 79.)

The Minister reached Australia, and had conferences on the following dates, viz. :—

- With the Government of New South Wales, October 11th, 1893.
- With the Government of Queensland, October 20th, 1893.
- With the Government of Victoria, October 30th, 1893.
- With the Government of South Australia, November 2nd, 1893.

These several Governments had received copies of the antagonistic documents before the arrival of the Canadian Minister, and, as he points out in his report, these documents were not helpful to his mission. (p. 76.)

Again, while the Canadian Minister was in Australia, engaged in the above conferences with the Australasian Governments on the subject of cable connection, an agreement designed to strengthen the monopoly of the Eastern Extension Company was entered into by the Secretary of State for the Colonies. This agreement, bearing date October 28th, 1893, practically excludes Canada or any Australasian Colony from establishing telegraphic connection with Asia (without the intervention of the Home Government) for a period which does not expire until October 28th, 1918. A copy of this agreement will be found in the return of papers on the Pacific Cable recently laid before the Canadian Parliament. (p. 6.)

These facts are well known, and they give ground for the fear that the Home authorities have not been in sympathy with the legitimate aims of Canada and the Australasian Colonies in respect to the Pacific Cable ; moreover, they appear to throw light on the inexplicable policy followed about the same period in another matter of great importance in connection with the proposed cable.

To connect Canada and Australasia telegraphically mid-ocean stations are absolutely necessary, and for a national line of communication it is indispensable that these stations be in the possession of Great Britain. The nearest island to Canada under the British flag is Fanning Island. But its distance from British Columbia is very great, involving the laying of a cable considerably longer than any yet laid in any part of the globe. In the adverse documents which confronted the Canadian Minister when he reached Australia, great doubts are expressed as to whether the Vancouver-Fanning Island section could be laid or maintained. These doubts added to the very great importance of securing a landing station less distant than Fanning Island from British Columbia. In the voyage of the Canadian Minister of Trade and Commerce to Australia, in September, 1893, it was discovered that a mid-ocean station 800 miles nearer Vancouver than Fanning Island was available. There exists in the middle of the ocean, on a direct course between British Columbia and Queensland a small, uninhabited, rocky island, with an area of about one-tenth of a square mile. It had up to that period

been regarded as too insignificant for ownership by any power. This little islet is known as Necker Island. It is situated 400 miles westward from Honolulu, and was not then included in the Hawaiian group. Other islands had been claimed by Hawaii as appanages, but Necker Island was not included. Indeed, until the following year, when it was visited by Hawaiians for the first time and taken possession of by the Hawaiian Government, it was entirely open to the British Government to take possession of it.

Every inquiry, at Honolulu, during the Minister's visit in 1893, having satisfied him and the resident British Commissioner that Necker Island was unclaimed by Hawaii, or by any power, a memorandum was sent to the British Government pointing out its singularly commanding geographical position for telegraphic purposes, and as possibly it was of vital importance to secure it as a landing station for the Pacific Cable, it was strongly recommended that it be immediately taken possession of in the name of Her Majesty.

The circumstances respecting the availability of Necker Island were, without loss of time, made known by the Minister of Trade and Commerce to the Governments of Canada, New South Wales, Victoria and Queensland. Each of these Governments were convinced of its great utility, and in October, 1893, sent instructions to their respective High Commissioner or Agents General in London to urge upon the Home Government the advisability of immediate action being taken in securing possession of this unclaimed islet for the purpose of making it a landing station for the Pacific Cable. The Australian Governments, as well as the Canadian Minister of Trade and Commerce, having read the despatches above mentioned recently transmitted by the Colonial Office, were impressed with the alleged impracticability of the Fanning Island route, and looked upon the possession of Necker Island as vital. It was accordingly arranged that I should proceed from Australia to London with the special object of leaving nothing undone to secure its possession.

I reached London before January, 1894. It could not be learned that any steps had been taken toward the acquisition of the island. Application was made to the Colonial Secretary for an interview on the subject. After some delay a day was named, January the 12th. The Agents-General for New South Wales, Victoria, Queensland and New Zealand, with the High Commissioner and other gentlemen representing Canada, were present, as authorized by the respective Governments. Each one present supported the representations that no time should be lost in securing the Islet of Necker as a British possession. A memorandum, which had been drawn up by me, fully describing the facts respecting it, was read to the Colonial Secretary and left in his hands. A copy of the memorandum follows :—

NOTE in reference to Necker Island and the vital importance of securing this island as a Mid-Pacific Telegraph Station.

1. The question of a Pacific Cable to connect the sister Colonies of Australasia, with Canada, has long been before the public. It received special attention at the Colonial Conference of 1887. In the despatch of the late Mr. Stanhope, 20th November, 1888, summoning the Conference, the Colonial Minister dwelt on postal and telegraph inter-communication as essential to the consolidation of the Empire. He referred to it as "a great question," and reproduced the words in the Queen's speech at the prorogation of Parliament, expressing the conviction of Her Majesty, "that there is on all sides a growing desire to draw closer in every practicable way the bonds which unite the various portions of the Empire."

2. The proceedings of the Conference show that great prominence was given to the question by the Chairman in his opening address and by delegates in discussions, and that at the close of the Conference a resolution was unanimously passed declaring that "the connection of Canada with Australia by direct sub-marine telegraph across the Pacific is a project of high importance to the Empire."

3. Since the Colonial Conference, many efforts have been made to induce the Home Government to take some step which would practically advance the Pacific Cable. Recently it has been felt in Canada and Australia that the time has arrived when the telegraphic connection should be formed. The postal and telegraph conference of the Australian Colonies met in March last and passed a resolution to that effect.

4. The Government of Queensland and New South Wales, impatient of delay and wearied waiting for assistance from the Home Government, accepted the offer of a

French company to lay a cable to New Caledonia, which its projectors intended should form the first link of 800 miles in a cable across the Pacific to the coast of North America.

5. The Canadian Government in September last, sent the Honourable Mackenzie Bowell, Minister of Trade and Commerce, as a delegate to Australia for the purpose of exchanging views upon matters of trade and telegraph connection between the Colonies and the Dominion. The undersigned accompanied Mr. Bowell, and after carefully considering all the facts and circumstances, prepared a memorandum dated 11th October, which Mr. Bowell brought to the notice of the several Governments for their information and consideration.

6. The Governor General of Canada forwarded on January 9th, 1893, an approved Minute of Privy Council, submitting to the Home Government correspondence, advocating the appointment of a special commission to inquire into the most feasible means of completing the telegraph system of the Empire. The Colonial Secretary, Lord Ripon, in his reply of March 22nd, stated among other things, that Her Majesty's Government "take a great interest in this matter and would welcome any proposal which would afford a practical solution of a question which is of considerable importance to the Empire from a strategical point of view."

7. It is respectfully submitted that the memorandum of October 11th submitted by Mr. Bowell to the Australian Governments formulates a solution of the question as it now stands. This solution was favourably received in all the Colonies, and commented on in the press as a clear and practical exposition of a scheme for establishing an essentially British Cable across the Pacific.

8. The Governments of Queensland and New South Wales, although parties to the laying of the New Caledonia Cable by a French company, have signified their preference for a British Cable and are prepared to join hands with the Dominion and their sister Colonies in establishing a telegraph to Canada independent of foreign connections.

9. One of the first essentials to the establishment of a British trans-Pacific telegraph is the possession, at suitable intervals, of mid-ocean stations. In the South Pacific, Great Britain has taken possession of a sufficient number of islands for mid-stations, but in the North Pacific there are singularly few islands available.

10. The Hawaiian group of islands are the nearest to Canada, and until recently it was believed that on one of them a landing place could be secured on neutral soil. Those islands are not, however, within British influence and their political future is a matter of doubt and uncertainty.

11. Outside the Hawaiian group, the nearest and only islands in any way suitable for the purpose of a mid-ocean station are Necker and Fanning islands. The former occupies a position 800 miles nearer Vancouver than the latter. Fanning Island is, however, the only one of the two which up to the present date has been formally made a British possession.

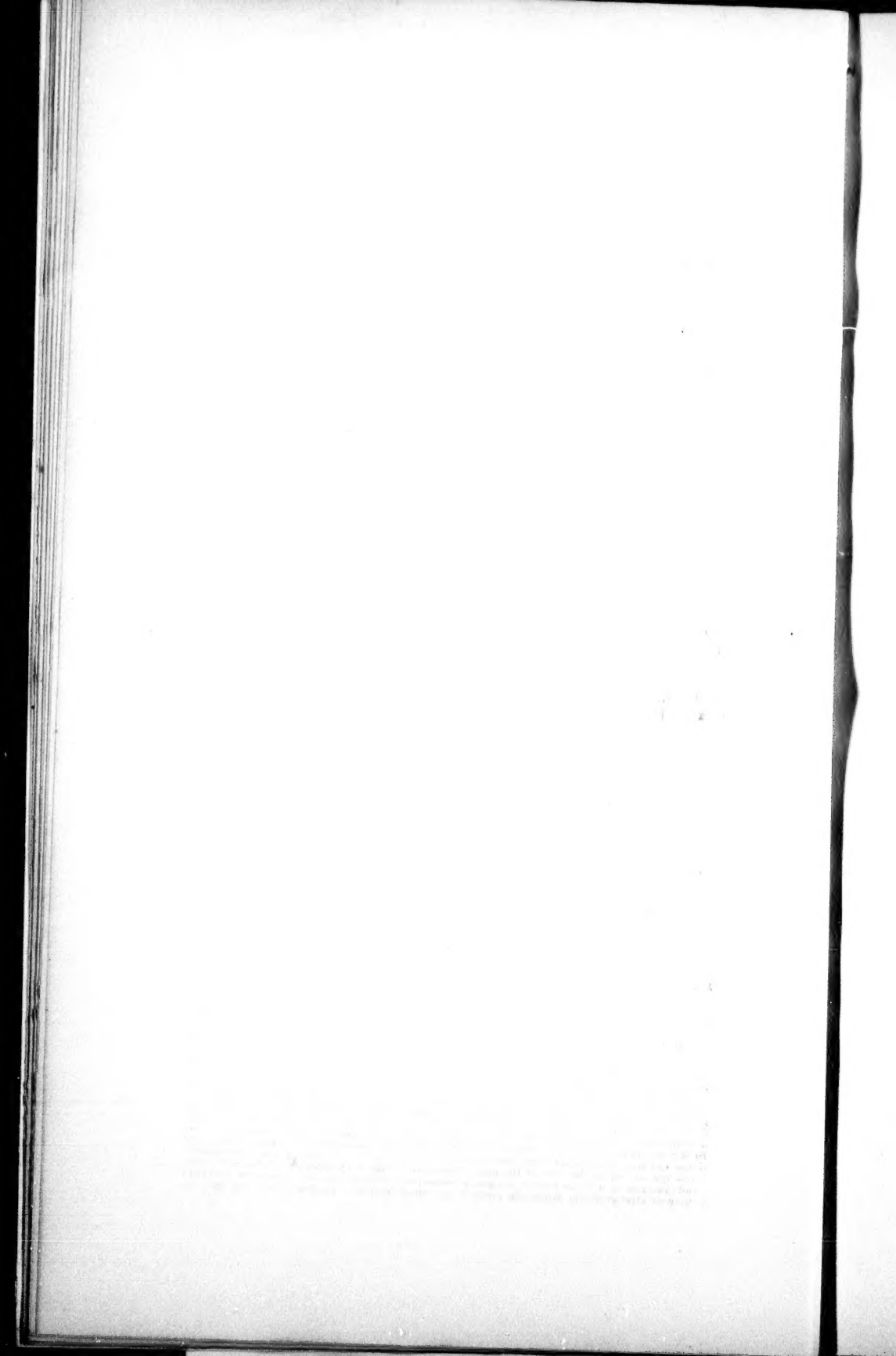
12. In a communication from the Postmaster General to the Secretary of State for the Colonies, dated July 5th last year, it is stated that the Engineer-in-Chief of the Post Office Department takes an unfavourable view of the laying of a cable from Vancouver to Fanning Island, owing to the distance. "Such a length of cable has never yet been laid, and in his opinion it may well be doubted, . . . whether, with existing appliances, the Vancouver-Fanning section could be either laid or maintained."

If this opinion has weight, it adds enormously to the importance of Necker Island, to which the same objection does not apply.

13. In crossing the Pacific in September last, the undersigned made careful inquiry regarding Necker Island. It is a small, rocky, treeless spot in the middle of the ocean, less than three-quarters of a mile long and 1,000 feet broad with an extreme elevation of 280 feet. Further particulars are given in a memo. dated Honolulu, September 23, in the possession of the Government. Necker Island is perfectly valueless for any ordinary purpose, its geographical position only gives it importance as a desirable point for landing a sub-marine cable between Canada and Australia.

14. Inquiries at Honolulu farther elicited the information that Necker Island is unoccupied and unclaimed by any maritime power; that the late King, with the ambitious view of forming an oceanic Empire, issued some years back a proclamation claiming as appanages of the Hawaiian Kingdom all the islands of the Pacific; this proclamation has, however, never been recognized by other nations, and France, Germany and Great Britain have since it was issued taken possession of such of the Pacific islands as they each deemed expedient. It was further learned at Honolulu that Necker Island is entirely beyond the legitimate sphere of the Hawaiian Kingdom, and that the claim set up by the late King is considered untenable.

15. Everything goes to show that the establishment of a telegraph across the Pacific cannot much longer be postponed, the mere fact that two of the Colonies grasped at the prospect of being telegraphically connected with North America, even by a foreign company, gives some indication of the demand for a Pacific Cable in Australia. A sufficient proof of its necessity is furnished in the stranding of one of the first steamers on the Canada-Australia line and the long suspense in learning the cause of the disaster with the accompanying anxiety as to the fate of passengers and crew. The strongest possible feeling exists in Canada and Australia that the Pacific Cable should be in every respect British, and the memorandum submitted by Mr. Bowell to the Australian Governments, clearly points out that the Colonies and Canada can establish a British Cable without drawing on the Imperial Exchequer. It is necessary, however, to have mid-ocean stations at suitable points, and the one point on the whole route not taken possession of in the name of Her Majesty is Necker Island. The possession of Necker Island is indispensable, if the views of the highest electrical authority in the service of the Imperial Government are well founded. While the undersigned is unable to endorse the views of this authority, he is bound to respect the source from which they come, and obviously great importance is attached to them by the Home Government, as they were forwarded for the information of the Colonies by the Colonial Minister in September last. If the opinions of this Imperial officer be sound, there can be but one conclusion, and that is, no British Cable can be laid across the Pacific without the possession of Necker Island, and the Colonies and Canada may be driven to the alternative of landing the telegraph on foreign soil (as in the case of the new Caledonian Cable) thus abandoning the strategical advantages of a trans-Pacific telegraph essentially British and the assurance it would give of strengthening Britannic unity in the outer Empire. Necker Island can only be



secured by the action of the Home authorities, and the way to its possession is as simple and as clear as in the case of other islands in the Pacific on which the British flag has been raised within the past few years.

The undersigned renews the recommendation strongly expressed in the memorandum forwarded from Honolulu by the Canadian Minister of Trade and Commerce and by the resident British Minister on the 23rd of September last.

SANDFORD FLEMING.

LONDON, 12th January, 1894.

The Colonial Secretary (the Marquis of Ripon) expressed the deep interest he felt in the matter. He assured those present that he would immediately confer with the Foreign Minister and impress upon him the urgent necessity of prompt action.

Month after month passed, during which the Imperial authorities were frequently reminded of the vital importance of securing the island for a mid-Pacific telegraph station.

At last it became known in Honolulu, toward the end of May, that Necker Island possessed a certain value for trans-Pacific cable purposes, and the Hawaiian Government immediately despatched an expedition to take possession of it. A landing was effected on May 27th, 1894, and the Hawaiian flag raised. Until that date there is no record of any person whatever having landed on the treeless and inhospitable rock in the middle of the ocean.

The loss of Necker Island as a possible mid-ocean stepping-stone for a telegraph between Canada and Australia was felt by some persons, and doubtless hoped by the Eastern Extension Company, to mark the demise of the project of a Pacific Cable. Efforts were, however, immediately made by the Canadian Government (1) to obtain a suitable island from the Hawaiian Republic, (2) to ascertain if it would be practicable to lay and work a cable to the least distant British island from Canada (Fanning Island). The first effort proved unsuccessful; the second, however, established that it was still practicable to connect Canada and Australasia telegraphically, but at an increased cost.

The tenders received by the Government of Canada, in 1894, for establishing a cable, including its maintenance for three years, showed that:

A cable by Necker Island would cost.....	£1,068,000
A cable by Fanning Island would cost	1,517,000

the difference being £449,000 in favour of the Necker Island route.

Owing to the increased cost of copper and gutta percha, it will now probably cost 10 to 12 per cent more than in 1894 to manufacture cables. As a consequence, the Pacific Cable (by Fanning Island) will require fully £500,000 more capital to establish than if Necker Island had been placed under the British flag.

Obviously it has not been the fault of Canada or the Australasian Colonies that Necker Island is not a British possession. Had the earnest entreaties been regarded it could easily have been secured by the Home Government in 1893 or in the early part of 1894. The Home authorities, however, adopted a different policy, and, in consequence, it will cost half a million pounds additional capital to lay the cable. Moreover, when laid, owing to an increased length of 800 miles given to the longest section, the commercial value of the whole line will be considerably lessened.

The Eastern Extension Company's desire being to frustrate the laying of the Pacific Cable, naturally welcome delay, and do everything in their power to prevent steps being taken to further the project. That the wishes of the company have to a remarkable extent been gratified cannot be denied, for there has been great and seemingly needless delay from year to year.

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As an outcome of the Ottawa Colonial Conference of 1894 it was proposed to have a Commission appointed for the purpose of inquiring into all matters relating to the project, and to report on the best means of carrying it out. After much correspondence the proposal was assented to by all the Governments concerned, and their representatives assembled in committee in London in June, 1896. They completed their labours by the end of that year, and on January 5th, 1897, their report was signed. It contained information desired by the public in the United Kingdom, in Canada, in Australia, and in New Zealand. It was frequently asked for in the several Parliaments, but, for some unknown reason, Parliaments and people were kept in the dark for twenty-eight months. Before the report of the committee was made public, in May, 1899, surprise, widespread regret and disappointment was caused when the contents of a despatch from Downing Street, of date April 26, 1899, was made known.

This despatch appears on page 87 of blue-book ; its contents were referred to in the London *Times* of April 27, and a few days afterwards it was noticed in the Canadian press. As one who has given some attention to the project of a Pacific Cable, I made bold to address letters to the Secretary of State and the public on May 5th, 1899, and expressed the view that it was impossible to believe that the despatch to the Governor General of April 26th conveyed the full or final judgment of Her Majesty's Government, for several very strong reasons, which, with the grounds on which they are based are submitted at length in my letter (*vide* blue-book, page 88). It was pointed out that the principle of joint ownership in the undertaking was the only satisfactory plan ; that it had been acquiesced in by all parties ; that hesitation on the part of the Mother Country to become a partner with the Colonies would be regarded in an unfavourable light ; that it would seriously jeopardize the whole scheme, and that if the co-operation of the Home Government be withdrawn it would be a grave retrograde step in the movement for Imperial unity.

Such was the universal opinion a few weeks back. The Home authorities had since been officially informed of the state of feeling of the Governments and peoples of Canada, Australia and New Zealand, through the High Commissioner and Agents General, and before we left Ottawa telegrams had been received indicating the willingness of the Home Government to reconsider the matter.

I have the honour, &c.,

SANDFORD FLEMING.